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7 **BEFORE THE WASHINGTON STATE**
8 **OFFICE OF THE INSURANCE COMMISSIONER**

9 In the Matter of the Application
10 Regarding the Conversion and
11 Acquisition of Premera Blue Cross and
its Affiliates

No. G02-45

ELEVENTH ORDER: CASE
SCHEDULE

12 On July 14, 2003, Judge George Finkle, the appointed Special Master in this matter,
13 submitted a Case Schedule Recommendation. The proposed case schedule sets forth a
14 timeline that includes thirteen steps in the hearing process and is initiated upon the occurrence
15 of a "Trigger Date." Establishing a schedule for the hearing process has been interrelated with
16 the issue of whether certain documents that the OIC Staff and its experts have requested
17 should be produced or are privileged as Premera claims. My Tenth Order, issued on June 27,
18 2003, required *in camera* review of the documents by the Special Master, which is currently
19 being conducted. In accordance with the Tenth Order, the Trigger Date will occur upon the
20 production of those documents that are determined not to be privileged.

21 Premera filed a Motion for Review with me requesting that the case schedule not be
22 tied to the Trigger Date, but begin on a date certain regardless of the production of documents.
23 Premera also asked that the timeline for discovery and pre-hearing proceedings be cut in half
24 from six months to three months. The OIC Staff and the Interveners agree on the use of a
25 Trigger Date and object to a reduction in the time allowed. All parties are in apparent
26 agreement on the thirteen steps in the hearing process.

1 I have been cognizant of Premera's desire to have its application for conversion
2 reviewed as expeditiously as possible. However, I am also obligated to ensure that the OIC
3 Staff has all of the information needed to make an informed recommendation and that the
4 Interveners have a reasonable opportunity to participate and present their concerns. I believe,
5 as it stands, the Special Master's case schedule is an ambitious one, but one that can be
6 accomplished. I believe it is preferable to adopt a schedule that can be realistically
7 accomplished, rather than one that may have to be frequently modified.

8 I am adopting the Special Master's case schedule as recommended. The schedule is
9 set forth below. Once the Trigger Date is established, the parties will be notified of specific
10 dates for each event based on the case schedule.

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| 11 | 1. Deadline for OIC Staff to submit | Trigger date ("T") + 6 (weeks) |
| 12 | Draft Consultant Reports & | |
| 13 | Executive Summaries | |
| 14 | 2. Deadline for Premera to | T + 8 |
| 15 | (a) recommend redactions of confidential information | |
| 16 | contained in the Draft Consultant Reports | |
| 17 | prior to public release; | |
| 18 | (b) suggest amendments to the Draft Consultant Reports | |
| 19 | to address factual errors; and | |
| 20 | (c) amend Premera's Form A Application | |
| 21 | 3. Deadline for OIC Staff to submit Final Consultant Reports | T + 10 |
| 22 | 4. Deadline for Premera and Interveners to submit Final Expert Reports | T + 12 |
| 23 | 5. Deadline for final disclosure of Fact Witnesses | T + 13 |
| 24 | 6. Deadline for Depositions of OIC Consultants | T + 14 |
| 25 | 7. Deadline for depositions of Premera and Intervener Experts | T + 16 |
| 26 | 8. Final Discovery Cut-Off | T + 17 |
| | 9. Deadline for OIC Staff, Premera and Interveners | T + 19 |
| | to submit Pre-Filed Direct Testimony | |
| | 10. Deadline for Pre-Filed Responsive Testimony | T + 21 |
| | (responsive to pre-filed direct testimony) | |

- 1 11. Hearing begins (10-15 hearing days) T + 24
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3 12. Deadline for Post-Hearing Submissions 2 weeks after hearing ends
4 13. Commissioner's Decision As soon as possible after
5 Post-Hearing Submissions
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10 **IT IS SO ORDERED**, this 19th day of August, 2003.
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MIKE KREIDLER
INSURANCE COMMISSIONER